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Folio:

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Forbes

Life without father

The publishing world will soon find out what life is like without Malcolm Forbes following the flamboyant executive's sudden death. All eyes now turn to Malcolm Jr. (Steve) as he rises to editor in chief of *Forbes*. By all accounts, he is well prepared for the succession. But can he—indeed, should he—bring the same sizzle to the business that his father did? **29**

Flight to quality

Many publishers are forgoing premiums, sweepstakes and superduper discounts to lure readers who'll really pay for the magazines. Some advertisers applaud the quest for a more select group of readers—but others wonder if magazines are delivering all the circulation they could. **29**

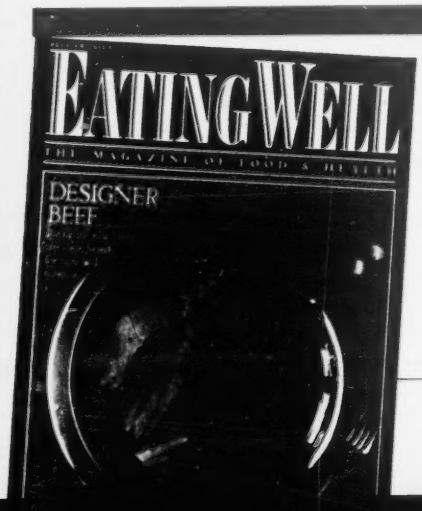
Weighing your paper choices

Publishers are taking another look at paper, and making changes. The reasons vary—but all, finally, come down to good business sense: What do advertisers require? What are readers comfortable with? And, finally, what can your budget swing? **120**

PAUL MCGUIRK

Gift subs: Presents that pay

If you do it right, you can make gift subs a vital part of your business—one that keeps on generating profits year after year after year. Donors pay up readily, renew easily, and are almost impervious to price increases. **102**



Appealing to new tastes

The folks who brought us *Harrowsmith* believe that we need a magazine that goes beyond get-slim-quick diets and oat bran binges. Can *Eating Well* make it in a market inundated with epicurean and health titles? **63**

unfold ➤

April 1990

Building muscles and magazines 55

Joe Weider, publisher and body-builder, has *Moxie*. Will his new title, a digression from his usual body-building fare, make it with older women?

Responding to ad pressure 109

Editors and advertising directors speak out about real problems and real resolutions to the ad/edit conflict.

Telemarketing: New ad sell 128

Using telemarketing to make ad sales is beginning to catch on with more and more publishers.

Private delivery gears up 31

Not just Time Warner's Private Express, but other alternate carriers are improving service to lure publishers.

TECH TRENDS Folio:

Time turns to Macs

Using affordable, off-the-shelf components, *Time* is saving time and dollars. 91

To lay out 23,000 pages a week, *TV Guide* needs power. This summer, its ancient mainframe makes way for a more flexible network. 87

Need a distinctive typeface? Roger Black renovated a classic for *Smart*, on a start-up budget. You can, too. 87

Scitex introduces a mid-range color system—at half the price of its high-end package. It's marketing the First System to publishers. 89

UPDATE

ABC's 1989 numbers are in. 30

Hearst breaks out its list. 31

New newsstand niche? 33

***U.S. News* learns** list lesson. 33

Recycled paper may soon be here. 34

Dialing for profits with 900 numbers. 38

Fast circ fulfillment by fax. 44

COLUMNS

Outplacement strategies, by Katherine Smith. 145

Seven Steps to an easy close, by Helen Berman. 151

Is opinion still protected? by Slade Metcalf. 154

Evaluating a small-run printer, by Stan Kaufman. 157

DEPARTMENTS

Briefings 9

Joe Hanson on Magazines 15

Commentary 16

Letters 25

Update 29

Magazine People 55

Magazine Watch 63

List Watch 73

Calendar 83

Literature Showcase 161

Noteworthy 184

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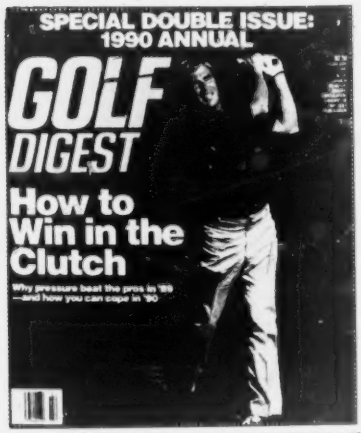
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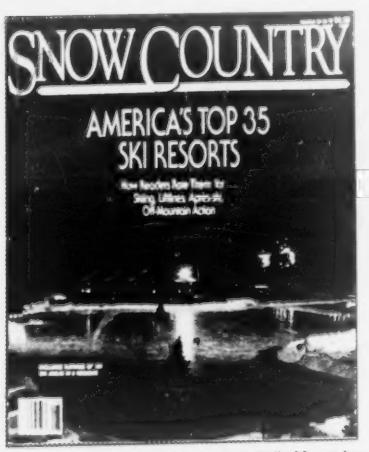
- 37 Average Age



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circulation, some contend that cutting the rate base can be equally beneficial.

For example, *Time* uses a computer model of its average subscriber to pick out which circulation it will eliminate, says Gitow. Based on that model, subscribers are cut by the amount of money it cost *Time* to acquire them. The newsweekly also decides whether the demographic profile is unattractive to advertisers.

Two years ago, *Time* decided that carrying a circulation of 4.6 million was costing it more money than it could ever bring in through ad revenue so it cut the rate base twice, to 4 million.

"If we had kept the extra subscribers," says Gitow, "the money it costs to maintain them wouldn't have come from our circulation department. It would have come in the form of higher advertising rates."

Time has held ad rates flat for nearly three years, and that has made agencies like Young & Rubicam (Y&R) happy. "Clearly, the magazine could get to a point where it becomes incredibly expensive, from an out-of-pocket perspective, if they kept building circulation," according to Frank Smith, director of print media for Y&R.

Answering to advertisers

Family Circle's rate base cut came at a time when the magazine had to answer to advertisers. It dropped the rate base from over 7 million in the mid 1980s to the current 5.5 million, and will drop to 5.25 million later this year.

The title had to overcome competitors' charges of weakness when it decided to deliver less circulation. "Oftentimes, dropping circulation turns out to be a problem," says Rick LePere, a publishing management consultant. "It shouldn't be, but it turns out that way."

While the publication admits it hasn't met the rate base consistently, it blames the problem on circulation strategy. Formerly predominantly sold at check-out counters, it has been in the process of emphasizing subscriptions.

"Our problem isn't that we can't sell a lot of copies in the check-out area," says Lawrence Freeman, vice president and director of circulation.

By sweeping aside premiums and gimmicks, the titles upped quality and improved costs.

"The problem is that we will average rate base at the check-out. Advertisers don't like it that way. They want a more stable environment." Single-copy sales fluctuated by over 900,000 copies for certain issues in the first half of last year, and the magazine missed the rate base four times.

Woman's Day, another large-check-out title, also had difficulty meeting its rate base and recently announced a cut from 5.3 million to 4.85 million. "It's much more achievable and realistic," says publisher Robert Mate. "Most advertisers have responded positively."

Running a better business

Murdoch Magazines' *TV Guide* adopted a similar strategy. Shortly after it was acquired in the fall of 1988, it dropped its rate base from well over 16 million to 15.8 million.

"We find we have a better business now," says Joe Cece, president. The magazine had asked itself, "At what point is the latter half of a circulation not worth the cost of maintaining it?"

Still, many advertisers aren't overly worried by magazine circulation strategy shifts—"as long as they announce a guaranteed circulation and maintain it," says John Doman, executive vice president of TBWA Advertising. □

Single-copy sales slump continues

NEW YORK CITY—Some of the best-selling single-copy titles took a beating in the second half of 1989. According to the latest Fas-Fax report from the Audit Bureau of Circulations (ABC), all but one of the top 10 newsstand sellers lost sales.

Declines ranged from *TV Guide*'s slip of 3.3 percent to *Woman's Day*'s plunge of 15.8 percent. With a 10.4 percent sales jump, *Woman's World* was the only top 10 title to gain ground at the newsstand.

"This may have been one of the most discouraging halves ever," laments Dan Capell, a circulation analyst and publisher of *Capell's Circulation Report*.

At the check-out, the Seven Sisters all felt the sting of *First for Women*'s aggressive single-copy strategy. Big losers included *McCall's* and *Woman's Day*, down 21.3 percent and 15.8 percent, respectively.

Total sales still growing

However, the figures may not be as dismal as they sound. "The women's service pie isn't shrinking," says David Lee, senior vice president of circulation for Magazine Publishers of America. "It's just being sliced differently."

Indeed, unit sales in the category have grown. In the last half of 1988, the Seven Sisters and *Woman's World* totaled nearly 16.1 million single-copy sales. Second-half sales for 1989, which include those of *First for Women*, numbered 17.9 million copies, a gain of 1.8 million. □

Top newsstand titles

Second half 1989

Publication	% change from 2nd half 1988
TV Guide	–3.3
Woman's Day	–15.8
Family Circle	–12.3
National Enquirer	–4.4
First for Women	*
Cosmopolitan	–5.9
People	–6.4
Woman's World	+10.4
Penthouse	–18.7
Good Housekeeping	–6.4

Source: Audit Bureau of Circulations
* Initial audit was in June 1989

Only* Woman's World *posted gains among the 10 newsstand titles.

Harris V25 press, providing the capacity to produce formats from broad sheets to 2-up digests. Humboldt National Graphics operates three plants in Maine and Massachusetts, providing sheetfed, heatset and cold web printing.

The National Association of Printers and Lithographers (NAPL) recently recognized 23 printing organizations for their superior management performance in 1989. As part of the awards program, cosponsored by *American Printer* and Didde Web Press, permanent membership in the Hall of Fame was awarded to Suttle Press, Inc., of Waunakee, Wisconsin. Six companies received Management Plus Gold Awards: The Printing Company, Indianapolis, Indiana; Service Printers/Express Press, Fargo, North Dakota; K/P Graphics, Oakland, California; Superior Colour Graphics, Kalamazoo, Michigan; AT&T Customer Information Center, Indianapolis, Indiana; and Impression Northwest, Seattle, Washington.

A new division has been added to **3M's Imaging Systems Group**. Called the Image Reprographic Systems Division, the new entity will focus on offset printing and imagesetting markets.

Supplier People

Joseph A. Nicholls has been appointed vice president of research and development for **Atex Publishing Systems**.

Business Publications Audit of Circulation, Inc., has appointed Glenn Hansen senior vice president of auditing; John D. Kalomiris manager of the midwestern region and Douglas J. Haling marketing services supervisor. In addition, Glen Giles has been named manager and David Irwin has become marketing services supervisor, both in BPA's western region.

The International Prepress Association has reelected the following officers: president, Howard Batten, Batten Graphics; first vice president, William Weismann, Master Eagle Graphic Services; second vice president, Leon Calvert, Graphics Universal; and secretary/treasurer, Robert Swan, Swan Engraving Company.

Dimensional Visions Group, Ltd., has appointed Peter W. Barnes to the position of president and chief operating officer. □

1989 magazine launches and mergers and acquisitions

FOLIO:'s roundup of 1989 magazine start-ups and mergers and acquisitions was featured in the January and February issues. The listing that follows includes magazine data unavailable for our original articles.

New magazines

Magazine title	Company name	City/state	Audience	Circ. (000)	Type of circ.	Start-up month
Business						
Aircraft Technican	Johnson Hill Press Inc.	Fort Atkinson, WI	General aviation maintenance professionals	25	Np	Sept.
Expo	The Sanford Organization, Inc.	Kansas City, MO	Managers of trade shows and public expositions	7	Np	Nov.
Professional Boatbuilder	WoodenBoat Publications	Brooklin, ME	Executives and managers involved in boat manufacture, repair, design and display	15	Np	Sept.
The APA Magazine	Advertising Photographers of America	New York, NY	APA members	7	Np	Nov.
Consumer						
Adoption	Ulick Publishing Co.	Bartlett, IL	People interested in adopting children	50	P	Nov.
Auction Weekly	South Atlantic Communications	Durham, NC	Auctiongoers and licensed auctioneers	60	P & Np	Nov.
Blushing Bride	Baker-Brown Enterprise, Inc.	Springfield Gardens, NY	Minority women planning a wedding	10	P	Oct.
Canoe and Kayak Racing News	Canoe America Associates	Kirkland, WA	Canoe and kayak racers	12	P & Np	Oct.
Connect	The Crosby Vandenburgh Group	Boston, MA	Teachers and principals at junior and senior high schools	30	P	Oct.
Florida Thoroughbred	Thoroughbred Publications, Inc.	Lexington, KY	Thoroughbred owners and breeders in Florida, Alabama, Georgia, Mississippi and the Carolinas	7	Np	Sept.
Houston Press	Morgan/Hearne Media, Inc.	Houston, TX	Upscale residents of Houston	50	Np	Nov.

(CONTINUED)

Magazine title	Company name	City/state	Audience	Circ. (000)	Type of circ.	Start-up month
Iowa City	Iowa City Magazine Publishing	Iowa City, IA	Residents of eastern Iowa	30	P & Np	Sept.
MetroNorth	MetroNorth Publishing Inc.	Arlington, MA	Affluent residents in 17 communities north of Boston	15	P & Np	Sept.
New York Style & Design	Manso Communications	Union City, NJ	Upscale New Yorkers ages 25 to 45 with income of $90,000 or more	25	P & Np	Oct.
Paint Check	CB Publications, Inc.	Ossining, NY	Paintball enthusiasts	100	P	Nov.
Pleasure Quest	Health & Wealth Guardian Ltd.	Mesa, AZ	Romantic couples	25	P	Dec.
Prima Ballerina	Prima Publishing Group	Norcross, GA	Young dancers ages 6 to 14	50	Np	Oct.
Salt Lake City	Utah Partners Publishing	Salt Lake City, UT	Area residents	18	P	Nov.
Sports Illustrated for Kids	Time Inc. Magazine Co.	New York, NY	Children ages 6 to 12	600	P & Np	Jan.
Washingtonview	Viewcomm, Inc.	Washington, DC	Upscale black consumers	30	P & Np	Sept.

Mergers and acquisitions

Acquiring company	City/state	Magazine	Circ. (000)	Type of circ.	Seller	Price in millions (est.)
Third quarter						
Ehlert Publishing Group, Inc.	Minneapolis, MN	*National Athletic Director*	30	Np	Mans Corp.	($3)
Excerpta Medica	Princeton, NJ	*The Female Patient*	97	Np	Physicians World Communications, International	($12)*
		Physician Assistant	22	Np		
		"Convention Reporter" (newsletter)	N/A	N/A		
Faulkner & Gray, Inc.	New York, NY	*Sanker's Middle Market NL*	N/A	N/A	Bank Administration Institute	N/A
		Healthcare Information Center	N/A	N/A	McGraw-Hill, Inc.	($2)
Intertec Publishing Corp.	Overland Park, KS	*Electrical Construction & Maintenance*	101	P & Np	McGraw-Hill, Inc.	($3.7)*
		Electrical Wholesaling	20	P & Np		
The Irving-Cloud Publishing Company	Lincolnwood, IL	*Aviation Mechanics Journal*	32	Np	International Aviation Publishers, Inc.	N/A
Fourth quarter						
Capital Cities/ ABC, Inc.	New York, NY	*Farm Futures*	200	P	AgriData Resources Inc.	($8)
Cowles Magazines	Harrisburg, PA	*Performance Horseman*	27	P	Gum Tree Store Press, Inc.	N/A
		Practical Horseman	57	P		
Lighthouse Communications, Inc.	Natick, MA	*Successful Magazine Publishing*	12	P	Randall Publishing Co.	N/A
M. Shanken Communications	New York, NY	*Food Arts*	50	P & Np	Ariane and Michael Batterberry	N/A
Micromedia, Inc.	Morristown, NJ	*Business Journal of New Jersey Magazine*	34	P & Np	Business Journal of New Jersey Inc.	$3.1 *
		Garden State Home & Garden	35	P & Np		
N.V. Business Publishers Corp.	Paramus, NJ	*MARI*	2	P	Magazine of the Americas, Revista Interamericana	N/A
Patrick Wiesner	Littleton, CO	*Colorado Homes & Lifestyles*	27	P	Garrett Glann	N/A
Richard Groves	Madison, WI	*The Cheese Reporter*	3	P	Harry Palmiter	N/A
Ted Schoenhaus	New York, NY	*Toy & Hobby World*	18	Np	International Thomson Retail Press	N/A
The International Oceanographic Foundation	Key Biscayne, FL	*Oceans*	N/A	N/A	Oceans Magazine Associates	N/A

* = Group purchase N/A = Not available P = Paid Np = Nonpaid

Weighing your paper choices

The reasons for changing paper stock may be economic, artistic or market driven. If you haven't looked at changing paper lately, maybe it's time

BY PAUL FRICHTL

To increase the impact it had on readers and advertisers, *YM* needed more space for its editor and art director to work with. The solution was a wider trim size, one more inch to the standard eight-inch width, which would add almost 12 square inches of work space.

"We call it our million-dollar inch," says publisher Alex Mironovich, referring to the cost added to *YM*'s annual paper budget. (*YM* also upgraded its cover stock.) "The change was very expensive. We had to fight long and hard to get it."

The change appears to be paying off. November and December 1989 issues closed 50 percent to 60 percent higher than a year earlier, and early newsstand returns for the August relaunch issue showed single-copy sales jumping about one-third over average sales of 150,000, says Mironovich.

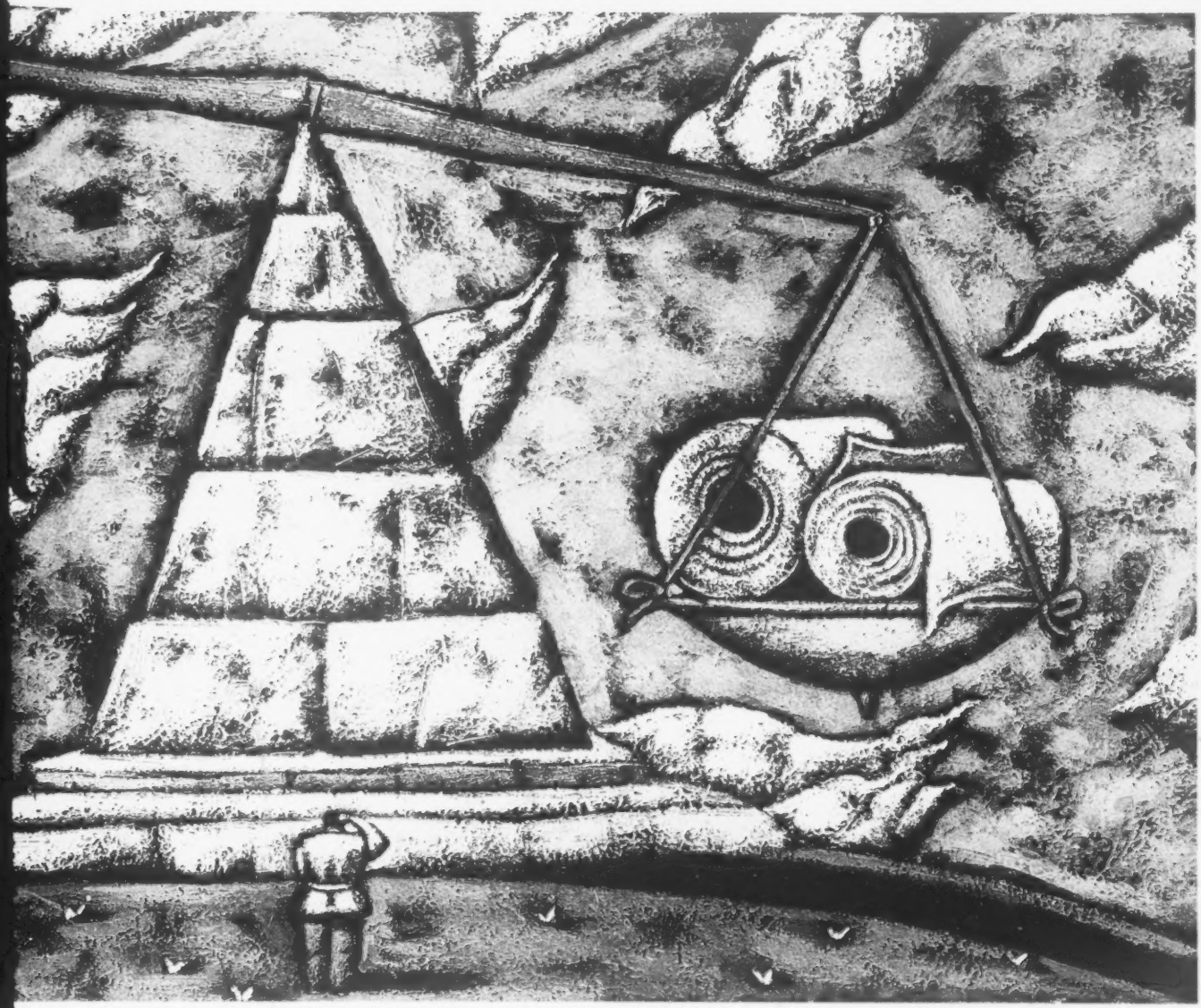
"A big part of it is the visual aspect that the wider size has brought to the magazine," Mironovich explains. "It very quickly illustrates a visual difference in how the magazine is done."

Vogue, in a recent round of design changes, opted for higher grade paper, moving from a 40-lb. coated No. 5 to S.D. Warren's Somerset Gloss (45-lb.), a No. 4 grade that set a new benchmark for lightweight coated papers when it was introduced a few years ago. *Vogue*'s closest competitors were already on higher grade papers when it made the switch last March. "The editorial department needed a brighter, whiter sheet," says Irving Herschbein, vice president of manufacturing and distribution for Conde Nast. "To get that we had to move away from the 'commodity' grade No. 5 to a No. 4 sheet."

YM and *Vogue*, however, represent only the more public side of changes in the way magazines are using paper. Companies such as McGraw-Hill and Lebhar-Friedman, meanwhile, have been reducing basis weights and shrinking trim sizes. Their goal is to cut paper use and distribution costs.

A number of magazines have made or are considering making changes in their paper stock, or in how they use their paper. The reasons for the changes are as varied as

Paul Frichtl is a freelance writer based in Seattle, Washington. He had been managing editor of FOLIO:.



the options, ranging from needs relating to design, to competitive positioning, to cost cutting. But it's never a decision taken lightly. Paper can account for up to 50 percent of a magazine's overall operating budget, and averages more than 13 percent of sales for consumer magazines, according to sources.

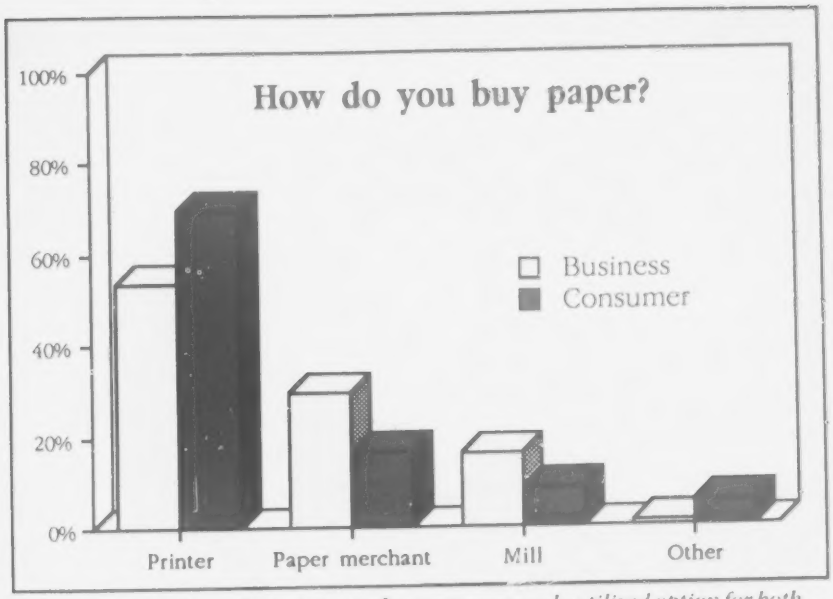
There are opportunities in paper, for both savings and for growth. If you haven't looked at changing your magazine's paper in a while, maybe it's time.

Pricing, certainly, is in the publisher's favor, as there has been no significant, broad-scale increase in paper prices for a year and a half. Yet the string of price increases leading to that hiatus is still very vivid in the minds of magazine paper buyers. Take 40-lb. No. 5 grade coated groundwood as an example. Prices rose more than 30 percent between mid-1986 and the end of 1988 to more than $900 per ton.

The climate is entirely different now. Prices have held steady since, and if anything, they took a dip last summer as several mills began to discount excess supplies. What's more, coated No. 5 list prices are only 4.5 percent over their 1985 high of $842 per ton.

That recent plateau of stability is slipping. Recent discounting has knocked an average of $30 per ton off the list price. Sources cite new paper machine capacity scheduled to come on line in winter 1989 and through 1990 as solid support for holding prices down. In fact, overcapacity here and in Europe may even accelerate discounting or drive list prices down.

Price differentials are also attractive to some publishers. The difference in price for taking a step up from a No. 5 sheet to a No. 4 grade averages about 15 percent to 17 percent, according to Rick Irwin, general



***Buying paper from the printer is the most** commonly utilized option for both business and consumer magazines, although consumer magazines are slightly more inclined to do so than business magazines.*

manager of the publication papers at Gould Paper. The difference for a step from No. 4 to No. 3 is even slighter: 10 percent to 12 percent.

All of that is encouraging for publishers—for those who need to track price trends to plan cost cutting measures, and for those who need assurances that if they change to higher quality paper stock, they won't get killed on prices two months later.

"There's no question that there are more magazines using high quality papers than ever before," asserts Irwin. "[Stable pricing] gives publishers an opportunity to consider an upgrade."

Shooting upscale

The change is obvious at any newsstand. Many magazines in the front row are getting wider—for example, *Harper's Bazaar, HG, House Beautiful* and *Metropolitan Home*—in an attempt to attract more attention. And titles ranging from *Woman* to regional *Pacific Northwest* are upgrading paper stocks to improve their competitive positions.

WoodenBoat recently upgraded its paper from a No. 5 sheet to a brighter 45-lb. No. 4 grade. Because of the nature of the magazine's editorial and advertising—a lot of white hulls and blue skies—brightness and whiteness were priorities. "A white paper surface makes a big difference," according to production director Barbara Bennett.

Even business tabloid *Back Stage* has moved up from a 35-lb. uncoated No. 5 to a higher grade 45-lb. matte coat. The better stock should create more ad sales, according to production director James Contessa.

New consumer magazines, too, are going right for the top of the scale, often launching with 60-lb. free sheets, with oversize or odd trim sizes, notes James Bamman, executive vice president of Paper Sales Corp., a paper merchant. Magazines such as *Mirabella, Lear's, Memories, Smart* and *Fame* are jumping onto the newsstand next to *Vanity Fair, Town & Country* and other established titles with distinctive physical appeal. Having a bright and hefty product certainly helps the newcomer draw attention. Those magazines, say sources, are setting the pace for everyone.

Don't gloss it over?

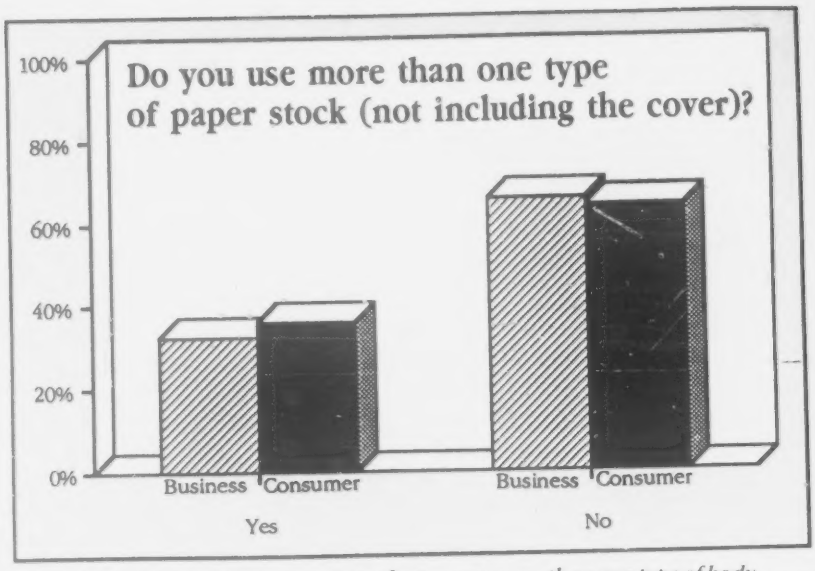
Setting the pace doesn't necessarily mean gloss, however. In addition to heavier, brighter paper, matte or glare free papers appear to be gaining acceptance. Seen as a trendy design element, matte coats carry a kind of panache, an underground, avant-garde kind of feel that has become more popular among art/lifestyle magazines, such as *LA Style* and *Metropolis*, according to design consultant Greg Paul, partner at Brady & Paul Communications.

Long-time users of such paper—for example, the *Harvard Business Review*, which is heavy on text, light on advertising—have demonstrated its value in terms of readability, but as more mainstream titles, such as *MacWorld, Premiere* and *Details*,

***In a bid to improve their competitive positions**, some magazines have opted to upgrade paper stock. Others have increased trim size and gone upscale on cover stock.*

make use of it, advertisers are becoming more receptive.

Details, being a fashion magazine, has especially had an influence. The magazine is distinctly different in graphic and editorial approach, as well as in reader profile, from fashion titles such as *Harper's Bazaar* and Conde Nast sister publication *Vogue*. Four-color is used sparingly, but suppliers and consultants maintain that color reproduction on matte papers can be every bit as good as on glossy stock. Regardless, *Details*' use of the matte finish is a critical part of its "downtown" image.



***About 75 percent of the magazines that carry** more than one type of body stock use only two types of paper, according to both business and consumer respondents. Another 21.1 percent use three different stocks, but few use more than three stocks in their magazines.*

The defectors

But then there are defectors. *Mother Earth News*, going after a more mainstream thirties audience, switched to coated paper with its redesign. *Publish!*, launched on a matte stock, has also gone to gloss-coated paper.

The difference is not in the pricing, in most cases. Suppliers say the prices of matte and gloss stocks are comparable.

If you watch only the front row of newsstands you might very well find convincing evidence of a significant move toward better paper and larger trim sizes. But the newsstand is a small universe, no matter how much more visible it is. And even there, paper changes among top newsstand titles are the exception rather than the rule, Bamman says.

Business magazines, on the other hand, generally don't compete as heavily on a design level. In fact, most would have a hard time justifying larger trim sizes and more expensive paper. If anything, the trend for business magazines has been toward tabloid formats printed on uncoated stock, such as supercalendered stocks and newsprint.

Upgrading paper stocks hasn't been a serious consideration at Crain Communications. Color reproduction and opacity are already adequate for the business titles, says Carl Braun, Crain's production director in charge of publications in the Chicago area. To upgrade to a No. 4 stock would be like printing the telephone book on coated paper, he says. "We just don't need it."

"We're just looking at our four-color reproduction and making sure it's acceptable," he says. "And that's the right word for it, acceptable."

The other side of the paper coin is cost containment. Some sources say that paper costs alone account for anywhere from 10 percent to 50 percent of a magazine's total operating budget. In addition, every pound of paper printed must be transported to the reader, usually by the United States Postal Service.

Postage cost savings derived from changes in paper use is an important issue—one that's only going to become more important. The 1988 Postal Rate Case raised the average cost of mailing a second class publication by 18 percent. Most publishers expect the 1990 rate case filing to result in increases at least as large. Many sources also believe the Postal Service will attempt to place much greater emphasis on the weight of an issue in the overall pricing structure.

"Postage cost savings derived from paper changes is an important issue, one that's only going to become more important."

For many publishers, using paper more efficiently is a way to bring down expenses where few other opportunities may be available. It works in two ways. Cutting total paper use, and thus its weight, can save money first in paper purchases, but also in that portion of postal charges calculated by the weight of an issue.

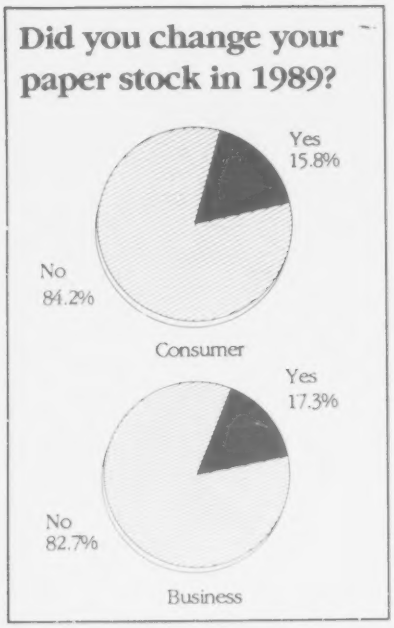
Achieving paper savings

"If you put all your ducks in a row, if everything in production and stripping and platemaking and printing and everything else works the way it should, then it really all comes down to paper," contends Bennett.

In its efforts to cut costs, Crain has cut trim sizes on a half dozen of its tabloids, including its automotive titles, *Advertising Age* and *Crain's Chicago Business*. Lowering the basis weights of the papers the tabloids are printed on was out of the question. The tabloids are already on 36-lb. No. 5 stock; any reduction in basis weight would make them too flimsy, says Braun.

Similarly, Lebhar-Friedman has lopped a half inch off five of its tabloid titles to achieve paper savings—about 4 percent off the company's annual paper budget of approximately $3.5 million. Postal savings will be negligible, notes Stan Kaufman, director of manufacturing.

Originally, Kaufman had proposed reducing the depth of the tab-



***An average of 16.6 percent** of the respondents said that they changed paper in 1989, and another 9.4 percent said they would consider changing stock in 1990. But few would specify whether they were changing to lighter or heavier weights, or higher or lower grades. The small percentage of respondents who did give specifics indicated that they were more likely to change to lighter weights and higher grades.*

loids from 15-1/4 to 14 inches, which would have netted a 7 percent to 8 percent savings in postage and a much greater savings in paper. "Internally, it was thought to be too radical of a move," he says. In particular, the sales department saw no advantage in reducing the size of the pages they are selling. Depending on the savings realized, and the reactions of readers and advertisers, further cuts may follow.

Family Media's *Model* recently trimmed a half inch from its original nine-inch width, yielding significant savings for the young magazine. The change allowed *Model* to run with narrower rolls on press, meaning less paper waste, and to reduce mailing and newsstand freight costs. Yet, according to Michael Brennock, Family Media president, those are only side benefits. Reducing *Model*'s width by a half-inch allowed Family Media to move the magazine to check-out racks; the magazine's original wider size precluded such a move.

One frequently discussed way of going about reducing paper use takes advantage of the rather new availability of short cutoff presses. As the paper moves through a short cutoff press, each form is cut off from the web at a head-to-foot length of 21-5/4", rather 22-5/4". That brings the magazine down from lengths such as the standard 10-7/8" to a maximum 10-1/2" trim. The cutoff length is a dimension dictated by the press and cannot be changed except by changing presses.

Lopping three-eighths of an inch off the overall length of a title saves a little over 4 percent in paper used, sources say.

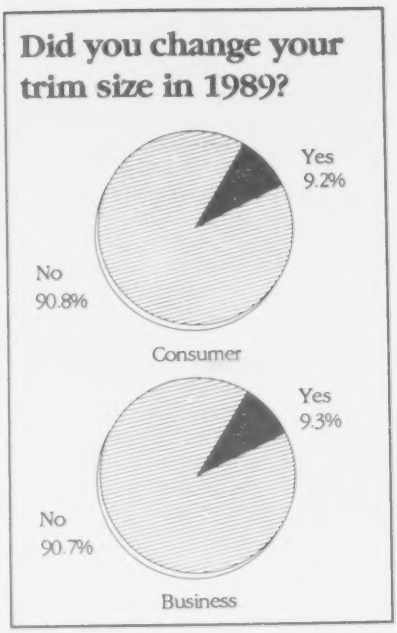
However, even if a trim-size reduction were a viable option for the publication from a business standpoint, availability of the short cutoff press is another matter. Over recent years it has been a matter of major consideration for printers purchasing new presses. Although some major mass circulation magazines were showing a trend toward smaller trim sizes, printers who installed the new presses early have not seen the demand from publishers they expected. This absence of demand is discouraging other printers from making purchases without getting significant contractual agreements up front, notes *Newsweek*'s Joel Reiss, director of materials.

Newsweek studies showed that the magazine could save a significant amount of paper with short cutoff press, but not all of *Newsweek*'s five printers had the presses, says Reiss.

Changing the width of paper rolls is another paper reduction option. Magazines continue to go to narrower rolls to reduce the amount of paper wasted in the bindery, where the paper required to carry the web through the press and permit folding is trimmed from the magazine. Going to an eight-inch book width on a 34-inch paper roll, for example, cuts bindery trim waste to a minimum.

What's more, most printers are going to larger roll stands on their presses. A 50-inch diameter roll requires fewer paper splices (which eat up paper as press operators get presses back up to speed and color through the course of a pressrun) than the old standard 40-inch or 42-inch roll.

The latest annual paper survey conducted by the Magazine Publishers of America showed that more than 16 percent of the companies and magazines went to narrower roll widths in 1988, and nearly 12 percent went to smaller trim sizes.



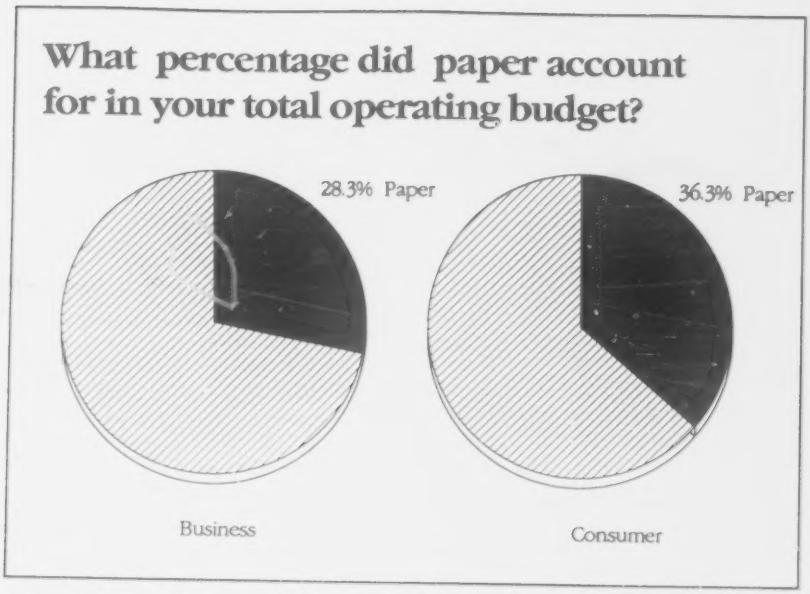
***Cutting trim size is one way** to reduce costs. Approximately 9 percent of the respondents did change trim size last year, and all said that they reduced the dimensions of their magazines. An additional 3 percent of respondents planned to cut trim size this year.*

Dropping basis weights

Another way to cut paper costs is to reduce basis weights. Recent MPA figures show that, among its consumer magazine membership, publishers expect to use more lighter weight papers as a percentage of the

Methodology

FOLIO:'s paper trends survey was mailed to 600 production executives, half of whom work on consumer magazines, half on business titles. Names were randomly selected from our database. Response rate to the survey is 36.8 percent. We received 216 completed questionnaires; 190 contained enough information to be used to calculate the results. The survey was mailed in July 1989.



***Paper accounts for more** than a quarter of the operating budget for both business and consumer magazines.*

total tonnage used. In 1988, 33.3 percent of the paper publishers used was 34-lb. basis weight. MPA publishers expect that to increase to 35.4 percent for 1990. As part of the trend, they expect the use of 40-lb. paper to drop from 22.5 percent of the 1988 total to 20.6 percent, and use of 50-lb. paper to decrease from 8.9 percent to 8.2 percent in 1990.

That's a long-running trend tied to paper machine technology and advances that produce papers with good characteristics at lighter and lighter weights.

Newsweek has tested dropping basis weights from its current 34-lb. stock to 32-lb. The net reduction in distribution costs amounted to about 2 percent, says Reiss—"not good enough for us to stick our necks out from the rest of the crowd."

More substantial drops in basis weights, say from 45-lb. to 40-lb. stock, bring a more substantial savings, however, says production consultant Alex Brown. A roll of 40-lb. stock weighing the same as a roll of 45-lb. stock yields more than 12 percent more paper on a square footage basis. Or, for the same number of pages printed in a magazine, the issue printed on 40-lb. stock weighs 12 percent less. Therefore, 12 percent can be knocked off the portion of postal charges attributable to the weight of the issue.

Savings in paper costs, however, may be negligible since lighter weight papers tend to cost more on a dollar per hundredweight basis— the publisher gets more printing area per weight unit. And of course, no change is without drawbacks. For the most part, a drop in basis weight—thinner paper—means a decrease in opacity. The result on press is a greater likelihood of showthrough from one side of a sheet to the other.

In some cases, that may not be a problem: Putnam Publishing Co. has gone to lighter weight paper and is considering trim size reductions in attempts to reduce the 40 percent of operating budget attributed to paper. Competitors have already made the change, making it easier for Putnam to cut costs, says director of production Bernard Schlameuss.

"Mixing stocks can not only save money, but serve as a design tool as well."

Balancing cost and quality

Many publishers are trying to offset the negative aspects that result from dropping basis weights by switching from free sheet to groundwood papers, according to Bamman. Free sheets begin to lose opacity below 50-lb. basis weight, he says, whereas groundwood papers have greater opacity at lighter weights by nature of the wood pulp content. "That's a tough sell, though," says Bamman, "because most [publishers] like the whiteness and brightness of the free sheets."

In contrast, *Valley Magazine*, a California regional, is looking the other way by moving to a higher basis weight paper, according to its production manager Madlen Ergas. The magazine would go from a 50-lb. No. 3 paper to a 60-lb. No. 4. "We think [the heavier paper] gives us a richer look and feel," says Ergas. There is little difference in the price of the paper, she says, and the postage increase from the added weight is not enough to forestall the quality change.

Other publishers have experimented with mixing paper weights within an issue, says Bob Sullivan, a production consultant. They might run lighter weight paper at the back of the book for departments, classified sections and so forth, and heavier paper in front for feature articles and color ad wells. Some magazines are running ads in separate forms, on heavier stock, while editorial forms are printed on lighter stock, adds John Anderson, senior vice president/sales, at Judd's Inc., a major magazine printer.

Magazines might also mix paper grades rather than weights. Family Media's *Science Digest*, for example, adds a 16-page coated form to the magazine, which is otherwise on uncoated stock. The coated form carries advertising.

And Prescott Visitor Magazines, publisher of *See* magazines, frequently runs forms printed on foreign paper stock in the same issue as forms printed on domestic grades, taking advantage of lower-priced foreign supplies. Production manager James Praschak says the two stocks are nearly indistinguishable. Although he says he prefers domestic papers, Praschak runs about 50 percent of his jobs on foreign stock because of price advantages. In fact, for the last four months of 1989, he was expecting to use foreign stocks exclusively.

Breaking up printruns is still an-

other variation. Family Media recently experimented with printing subscriber and newsstand copies on different basis weights in an attempt to reduce distribution costs, according to one source. On several of the company's 10 titles, depending on demographics and image, the basis weight was dropped to 34-lb. for subscription copies. Weights were raised or held at 40-lb. stock for newsstand and comp copies, where the quality of the magazine was more important. According to the source, the company was hoping for a paper and distribution cost reduction of about 10 percent, depending on the title, its subscription newsstand mix, and paper price differentials.

The full impact of changes was to be tested with the September issues, but in late August Brennock said he doubted that the company would implement the changes, citing "advertising considerations" as outweighing postal savings.

The aesthetic mix

The above examples center primarily on efforts of publishers to eke out whatever cost savings they can, while maintaining quality levels for advertisers. But mixing stocks can also serve as a design tool, as it does with *Town & Country's* special editorial sections. For example, the magazine runs special fashion sections in February and August. To set them apart from the rest of the magazine, which runs on a 50-lb. coated stock, the fashion sections run in 16-page signatures on 70-lb. coated matte stock that has a slightly blue tint to it.

"A change must be fairly radical before readers will notice it at anything other than a subliminal level."

"We want that part of the editorial to stand out and be noticed," according to art director Melissa Tardiff.

Town & Country also uses a high-bulk, uncoated rag paper as a second stock. The October and November issues, for example, carried 16-page, buff colored sections featuring the top physicians in the country. The sections were entirely text, whereas the coated matte stock is used for special features containing a lot of halftones and four-color.

Neither of these sections carries advertising—editorial must be made to fit the signature. And in both cases, it is the editorial department specifying the paper.

Heavy-weight uncoated papers similar to that used by *Town & Country* are also used to give the appearance of a thicker magazine. Sometimes called bulking stock, the paper is thicker than a coated sheet of the same weight. Magazines such as *Golf* and *Motor Boating & Sailing* run how-to departments heavy on text and line art on the uncoated stock.

Design consultant Paul notes that changes in texture—such as bulking stocks—make a section more visible, but can mean inflexible placement options because of ad layout and form breaks. So too can they be misused, interrupting the reader. "Anytime you change texture or interrupt the reader, you're calling attention to that one thing. It's like crying wolf. You can do it too often."

While publishers may turn to paper to find their savings, no one likes to cut quality unnecessarily in the process. Several sources noted that, if they must reduce basis weights to cut postal costs, they'd like the lower basis weights to maintain the characteristics of heavier papers, especially opacity.

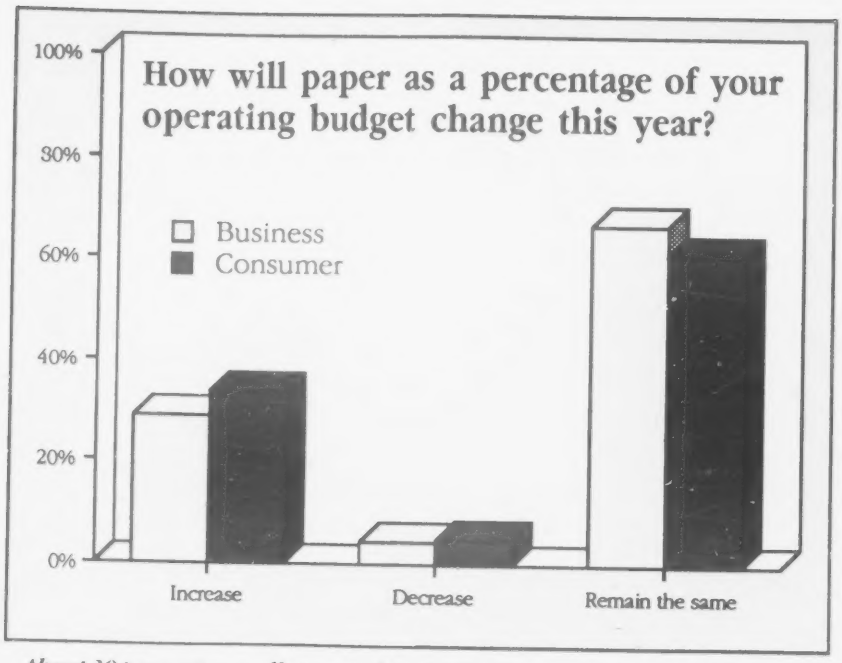
Wanting more

WoodenBoat's Bennett noted in particular a desire for lighter weights in No. 4 grades, having recently seen a high brightness 40-lb. weight of Weyerhaeuser's Colonnade. Before June 1989 it was available only in weights of 45-lb. and above. Even at the lighter weight, she maintains, the opacity, brightness and ink holdout were impressive. She noted that the price was "a lot more" per hundredweight than *WoodenBoat* currently pays, but the difference in weight would bring significant savings in distribution and postage costs.

Production consultant Sullivan sees weights going down even further. "I don't think 32-lb. technology has been explored to its fullest," he says of No. 5 grades. "I think publishers are willing to pay more for lightweight paper that has the characteristics they need, so that they can go after the postal savings."

Sullivan contends that the tech-

Shaving costs: *Cutting trim sizes was the solution for half a dozen of Crain's tabloids, five of Lebhar-Friedman's and Family Media's* Model. *Prescott Visitor Magazines reduced costs on its* See *titles by mixing foreign and domestic stock.*



***About 30 percent overall expected paper costs** to account for an even larger part of the budget this year.*

nology is available, but says he is not sure that such a sheet is currently in production.

"It would allow you to rethink this tradeoff between money and quality," adds Bennett.

The improvement and refinement process at paper mills has been a continuous one, Bamman notes. Paper mills constantly work toward better coats, increased opacity, higher brightness levels and so on, as well as higher capacity. The demand comes from both ends, he says. While publishers want lighter papers with better characteristics, mills have similar interests. Running lighter paper off a paper machine means they can produce more paper with the same materials. "The mills love to crank out the volume," he says, especially coated No. 5, the commodity level paper.

Nos. 3, 2 and 1 have almost become specialty papers, Bamman continues, used in smaller pressruns and often on more labor intensive sheetfed operations. Still, paper mills are addressing those markets. Warren, Westvaco and Champion all have new or rebuilt machines scheduled to begin producing No. 3 free sheet sometime in 1990, according to Irwin.

Improvements in brightness and opacity in recent years have made coated groundwood No. 5 even more attractive to cost conscious magazines. Herschbein notes that mills have been forced to make improvements not only by user demands, but also by development of a No. 6 grade, a lightweight, supercalendered paper with a light coating that has a matte finish. *Premiere* uses such a paper, produced in Finland.

Publishers have apparently been anxious to make use of the improvements. Those No. 5 grades with the highest brightness are in the greatest demand. The mills producing the top quality sheets were "inundated with orders" late last fall, causing two major mills (Boise Cascade and Weyerhaeuser) to announce allocation procedures for No. 5 and No. 4 grades. Mills producing lower-grade No. 5s, says Irwin, were at the same time beginning to discount paper, in some cases, to relieve overcapacities. Irwin expected the duration of allocation to be brief because of scheduled new capacity.

Other variables to consider

If you're thinking about changing paper grades, availability is a serious consideration. If a mill can't produce enough of a specific grade to serve existing customers, if it is distributing its paper on an allocation system, there's simply no room for new customers. As Irwin noted, the most popular papers can be in tight demand.

If a magazine is planning a redesign and a change in paper stock, Paul recommends that the changes be simultaneous. That way, problems that might arise because of the new stock, such as showthrough, cracking on the bindery and so forth, can be anticipated.

A significant gamble

A move up in both trim size and paper quality is a significant gamble, especially in a redesign. To make the product look and feel more substantial, publishers tend to run more editorial than they might otherwise, more than the advertising revenue might support, in hopes of getting more advertising pages and advertising revenue.

YM, for instance, raised its average page count from about 100 pages to about 140 pages to give the magazine more substance in its relaunch, says publisher Mironovich. Taking the magazine's paper up a grade proved to be too much. "You really need to generate a tremendous amount of advertiser support to make all of that worthwhile," he concludes.

The decision, then, finally comes down to good business sense, evaluating what advertisers require, what readers are comfortable with, and what your budget can swing. There *is* such a thing as too much quality, Bennett says. "It's never good business to buy more than you need."

Most sources agree that the reading public has been spoiled by high quality paper, and in some ways has come to expect it. Yet many also maintain that a change must be fairly radical before readers will notice it at anything other than a subliminal level, as Brown puts it. For publishers trying to eke a little economy out of their paper use, that's good news. They can take heart in Greg Paul's observation that there seems to be a growing acceptance of lower grade, lighter weight papers, as well as high quality stock—especially when the paper is appropriate to its atmosphere. "Everyone has that desire to eat in a fancy four-star restaurant once in a while," Paul says, "but you're likely to see that same person chowing down in a Burger King the next day."□